



Due by the 15th of each month Reporting Contributions Electronically Now Required by Law

All SDRS employee and employer contribution reports and supporting data must now be submitted to SDRS electronically, as required by a change in South Dakota law that took effect on January 1, 2009.

There are two methods of reporting contributions electronically, either by using a program downloaded from the SDRS Web site or by uploading information directly from your payroll software. SDRS can help you set up either method. Larger employers are likely to find the payroll method more efficient, but must remember that the uploads do not automatically include the monthly recaps that SDRS

requests. Though it is not a legal requirement, submitting recaps electronically along with contribution reports reduces work for both the employer and the retirement system.

Monthly contributions are due by the fifteenth day of the following month. For example, February contributions are due by March 15, March contributions are due by April 15, and so on. Late submissions are subject to a penalty of 5 percent of the delinquent contributions, and interest accrues on both contributions and penalties from the date due until the date paid. Interest is calculated at the assumed

rate of investment return, currently set at 7.75 percent.

Although the law does not require direct deposit of contributions, SDRS recommends it as an efficient and secure method of monetary transfer that eliminates possible delays — and potential penalties — in delivering contributions by the 15th of each month. The SDRS office can help you set up a direct deposit known as ACH.

For assistance with either electronic reporting or a direct deposit, contact SDRS' senior accountant, Diane Kafka, at 1-888-605-7377. **UpDate**

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Automatic SRP Enrollment Encourages Personal Savings

Over the past few years, conditions in the national economy, in health care costs, and in the prospects for Social Security and Medicare have prompted changes in retirement planning. Members of even well funded pension systems such as SDRS now recognize the importance of personal savings in preparing for a financially secure retirement.

New laws allow automatic SRP enrollment

To encourage public employees to establish personal retirement savings accounts, the Federal Pension Protection Act was passed in 2006. The law allows government pension systems, such as SDRS, to offer automatic enrollment in deferred compensation plans, such as SDRS' Supplemental Retirement Plan (SRP). In South Dakota, SDRS sponsored legislation to create a program through which new hires of a public employer can be automatically enrolled in the SRP. Approved by the South Dakota Legislature, the new law takes effect July 1, 2009.

Automatic enrollment in the SRP helps new hires realize the ease and value of contributing regularly to a personal retirement savings account and introduces them to investing through the SRP. The program

- allows employers to elect to participate
- limits automatic enrollments to participating South Dakota public employers' new, full-time hires
- sets initial monthly contributions at the \$25 minimum
- permits automatically enrolled employees to increase their contributions and choose their own investment vehicles after 90 days
- allows automatically enrolled employees to withdraw from the plan

Compounding Interest Swells Invested Savings



No matter when or how much a member starts to save, regular contributions prudently invested increase in value over time.

within 90 days and receive a refund of their deferred compensation and associated gains or losses

Employers elect to participate

For employers, participation in the automatic enrollment program is optional. Initiating participation requires only that the employer submit written confirmation of its intent (an employer unit resolution) to SDRS. Once SDRS receives the resolution, the employer becomes an automatic enrollment unit and deducts a monthly contribution of \$25 from the paycheck of every full-time employee hired on or after July 1, 2009, or on or after the date of the employer's resolution, whichever is later.

The employer continues to deduct the minimum monthly contribution until the employee either changes the contribution amount or withdraws from the program.

The employer can discontinue participation in the program at any time by notifying SDRS of its intent to withdraw through a written "resolution to remove."

Employees can try out saving for 90 days

Automatically enrolled new hires experience the advantages of saving for retirement through payroll deductions. Should they choose to continue participation after the 90-day trial period, they can maintain their contribution level of \$25 per month or they can elect to increase their contribution amount. Members of the SRP have the right to make contribution changes throughout their participation in the SRP. The cost of participating in the plan is low, and members may choose their investment vehicles from a list of competitively priced options selected by the state investment office. Contributions to an SRP account and their accrued earnings grow tax-deferred until the participant starts to withdraw the funds.

Should a new hire decide to discontinue participation in the SRP within 90 days of his or her first pay date, the law requires that notification of that intent must be made by the employee to the SRP in writing. Contributions and associated gains or losses can then be refunded to the employee. **Up Date**

THE WAY IT WORKS

Online Calculators Reduce Guesswork in Retirement Planning

Tools on the Web support easy and accurate retirement planning. The following article is the first in a series on Web-based calculators that can assist members in their retirement planning.

When members ask about the amount of their monthly benefit, or how much of their income SDRS will replace in retirement, authorized agents can refer them to two retirement benefits calculators available on the SDRS Web site, www.sdrs.sd.gov

My SDRS calculator a convenient, personalized resource

The retirement benefits calculator available through the *My SDRS* section of the SDRS Web site automatically uploads current information from a member's SDRS account to estimate his or her monthly benefit. A member can compare benefits estimated under different scenarios by changing factors such as proposed retirement dates, years of credited service and projected salary increases of between 2 and 3 ½ percent.

Members access the calculator by logging in to *My SDRS*, the secure

members-only section of the Web site. After logging in, members view the *My SDRS* welcome screen; clicking a tab at the top of the page directs them to the personalized benefits calculator.

A benefits calculator available to all Web visitors

The other retirement benefits calculator available on the SDRS Web site is available to any visitor to the site, including outside advisors with whom a member may choose to work. This calculator requires the user to enter all the information needed to create a benefit estimate, including

- the member's age
- date of retirement
- years of credited service before and after July 1, 2008
- the member's annual salary for the past year

By not limiting members to the pre-set numbers of the *My SDRS* calculator, this calculator offers greater flexibility to explore various scenarios.

Benefit Calculator	
1. Choose one of the following types of credited service:	<input type="radio"/> Class A <input type="radio"/> Class B: Public Safety <input type="radio"/> Class B: Judicial
2. Enter the month and four-digit year you were born:	<input type="text"/> month <input type="text"/> year
3. Enter the month and four digit year of your last pay date before retirement:	<input type="text"/> month <input type="text"/> year
4. Enter the month and four digit year you plan to begin drawing retirement benefits:	<input type="text"/> month <input type="text"/> year
5. Enter the amount of credited service you have prior to July 1, 2008:	<input type="text"/> years <input type="text"/> months
6. Enter the amount of credited service you will have after July 1, 2008:	<input type="text"/> years <input type="text"/> months
7. Enter your annual salary for the last 12 months:	\$ <input type="text"/>
8. Calculate —>	<input type="button" value="Calculate"/> <input type="button" value="Reset Numbers"/>
Your Monthly SDRS Lifetime Retirement Benefit:	\$ <input type="text"/>

To access this calculator, a visitor to the SDRS Web site home page clicks on the Retirement Planning tab at the top of the screen, selects "Calculating Your SDRS Benefit After July 1, 2008" from the list, then clicks on "Click here to go to the benefits calculator."

Both calculators are for planning purposes only; SDRS itself determines the precise amount of retirement benefits a member is due. However, the estimates produced by these calculators, especially if used in concert with other planning tools available through SDRS, can help every member prepare for a financially comfortable and secure retirement. **UpDate**

My SDRS Personal Info

Login ID:

Password:



Forgot your password?
New registration for My SDRS Personal Information

Registering for My SDRS

My SDRS is a secure, read-only section of the SDRS Web site that allows members to access their personal SDRS information. First-time users need to register using their Social Security numbers and set a password to access *My SDRS* on future visits. To register, under the column "My SDRS Personal Info" on the left-hand side of the Web site's pages, click on "New registration." Instructions to guide you through the process will appear.

SDRS STATE-WIDE INDIVIDUAL COUNSELING SCHEDULE

SCHEDULE DATE	COUNTY	LOCATION	ADDRESS	DEADLINE TO SCHEDULE*
10 Mar 2009	Edmunds & McPherson	Eureka, Fire Hall	502 F Avenue	03-05-2009
18 Mar 2009	Moody	Flandreau, Royal River Casino	607 S Veterans	03-12-2009
24 Mar 2009	Dewey, Faulk, Potter	Gettysburg, Bob's Steakhouse	29336 Hwy 212	03-19-2009
31 Mar 2009	Pennington	Rapid City, Rushmore Plaza Holiday Inn	505 N 5th Street	03-26-2009
14 Apr 2009	Aurora & Jerauld	Wessington Springs, Community Room	205 Wallace Dr	04-09-2009
21 Apr 2009	Meade	Sturgis, Philtown Best Western	Exit 32, South Junction	04-16-2009
28 Apr 2009	Grant	Milbank, Super 8	East Hwy 12	04-23-2009
12 May 2009	Roberts	Sisseton, NESDCAP	104 Ash Street E	05-07-2009
19 May 2009	Pennington	Rapid City, Rushmore Plaza Holiday Inn	505 N 5th Street	05-14-2009
26 May 2009	Corson, Perkins, Ziebach	Bison, County Courthouse	100 E Main Street	05-21-2009
09 Jun 2009	Day	Webster, County Courthouse	711 W 1st Street	06-04-2009
16 Jun 2009	Minnehaha	Sioux Falls, Ramkota	3200 W Maple	06-11-2009
23 Jun 2009	Bon Homme	Springfield, Community Room	605 8th Street	06-18-2009
30 Jun 2009	Lincoln	Canton, Pizza Ranch	719 E 5th Street	06-25-2009
14 Jul 2009	Davison, Hanson	Mitchell, Ramada Inn	1525 W Havens	07-09-2009
21 Jul 2009	McCook	Salem, REA Room	236 N Main	07-16-2009
28 Jul 2009	Codington, Clark, Hamlin	Watertown, Ramkota	1901 9th Ave SW	07-23-2009
11 Aug 2009	Brown	Aberdeen, Ramkota	1400 8th Ave NW	08-06-2009
18 Aug 2009	Beadle, Sanborn	Huron, Crossroads	100 4th St	08-13-2009
25 Aug 2009	Brookings	Brookings, Days Inn	2500 E 6th St	08-20-2009
08 Sep 2009	Spink	Redfield, Senior Center	728 Main St	09-03-2009
15 Sep 2009	Clay	Vermillion, Holiday Inn Express	1200 N Dakota Ave	09-10-2009
22 Sep 2009	Marshall	Britton, Community Building	909 S Main	09-17-2009
29 Sep 2009	Bennett, Haakon, Jackson, Jones	Kadoka, Fire Hall	102 Main St	09-24-2009
13 Oct 2009	Harding, Butte	Belle Fourche, Community Center	1111 National St	10-08-2009
20 Oct 2009	Yankton	Yankton, Kelly Inn	1607 E Hwy 50	10-15-2009
27 Oct 2009	Turner	Parker, Community Building	299 N Main	10-22-2009
10 Nov 2009	Union	Elk Point, Courthouse Community Room	209 E Main	11-05-2009
17 Nov 2009	Hand, Hyde	Miller, American State Bank	131 N Broadway	11-12-2009
24 Nov 2009	Lake, Miner, Kingsbury	Madison, Carl Mundt Library	8th and Egan	11-19-2009
08 Dec 2009	Lawrence	Spearfish, Holiday Inn	I-90 Exit 14	12-03-2009
15 Dec 2009	Campbell, Walworth	Mobridge, Wrangler Inn	820 W Grand Crossing	12-10-2009

* Individual retirement counseling sessions must be scheduled before noon on this date.

South Dakota Retirement System



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